

ACADIA PARISH FIRE DISTRICT NO. 4
FINANCIAL REPORT
SEPTEMBER 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Acadia Parish Fire District No. 4
Eunice, Louisiana

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Acadia Parish Fire District No. 4, as of and for the year ended September 30, 2014, and the related notes to financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Acadia Parish Fire District No. 4, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 9, 2015 on our consideration of the Acadia Parish Fire District No. 4's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Acadia Parish Fire District No. 4's internal control over financial reporting and compliance.

Brunson Poole, LLP

Lafayette, Louisiana
June 9, 2015

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ACADIA PARISH FIRE DISTRICT NO. 4

STATEMENT OF NET POSITION

September 30, 2014

ASSETS	Governmental Activities
Cash and cash equivalent	\$ 716,927
Certificates of deposit	21,634
Ad valorem receivable	32,753
Capital assets:	
Non-depreciable	18,302
Depreciable, net	<u>220,040</u>
Total assets	<u>\$ 1,009,656</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	\$ 2,073
Other liabilities	<u>207</u>
Total liabilities	<u>\$ 2,280</u>
NET POSITION	
Net investment in capital assets	\$ 238,342
Designated for capital expenditure	294,990
Unrestricted	<u>474,044</u>
Total net position	<u>\$ 1,007,376</u>
Total liabilities and net position	<u>\$ 1,009,656</u>

See Notes to Financial Statements.

ACADIA PARISH FIRE DISTRICT NO. 4

STATEMENT OF ACTIVITIES
Year Ended September 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expenses)
		<u>Fees, Fines, and Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Revenues and Change in Net Position</u>
				<u>Governmental Activities</u>
Governmental activities:				
General government	\$ 95,531	\$ -	\$ -	\$ (95,531)
Public safety	<u>47,270</u>	<u>-</u>	<u>-</u>	<u>(47,270)</u>
Total governmental activities	<u>\$ 142,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (142,801)</u>
General revenues:				
				\$ 642,504
Property				14,719
State revenue sharing				4,501
Insurance rebate				<u>352</u>
Interest income				
Total general revenues				<u>\$ 662,076</u>
Change in net position				\$ 519,275
Net position, beginning				<u>488,101</u>
Net position, ending				<u>\$ 1,007,376</u>

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

ACADIA PARISH FIRE DISTRICT NO. 4

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014

ASSETS	General Fund
Cash	\$ 716,927
Certificates of deposit	21,634
Ad valorem receivable	<u>32,753</u>
Total assets	<u>\$ 771,314</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 2,073
Other liabilities	<u>207</u>
Total liabilities	<u>\$ 2,280</u>
FUND BALANCES	
Designated for capital outlay	\$ 294,990
Unrestricted	<u>474,044</u>
Total fund balances	<u>\$ 769,034</u>
Total liabilities and fund balances	<u>\$ 771,314</u>

See Notes to Financial Statements.

ACADIA PARISH FIRE DISTRICT NO. 4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2014

Total fund balances – governmental funds	\$ 769,034
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	
Capital assets, net	<u>238,342</u>
Total net position of governmental activities	<u>\$1,007,376</u>

See Notes to Financial Statements.

ACADIA PARISH FIRE DISTRICT NO. 4

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended September 30, 2014

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 642,504
Insurance rebates	4,501
State revenue sharing	14,719
Interest	<u>352</u>
Total revenues	<u>\$ 662,076</u>
Expenditures:	
Current –	
General government	\$ 59,522
Public safety	47,270
Capital outlay	<u>102,589</u>
Total expenditures	<u>\$ 209,381</u>
Net change in fund balances	\$ 452,695
Fund balances, beginning	<u>316,339</u>
Fund balances, ending	<u>\$ 769,034</u>

See Notes to Financial Statements.

ACADIA PARISH FIRE DISTRICT NO. 4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2014

Net change in fund balances – total governmental funds	\$ 452,695
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 102,589	
Depreciation expense	<u>(36,009)</u>	<u>66,580</u>
Change in net position of governmental activities		<u>\$ 519,275</u>

See Notes to Financial Statements.

ACADIA PARISH FIRE DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Acadia Parish Fire District No. 4 (the "Fire District") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and financial reporting policies and procedures used by the Fire District are described below.

Reporting entity:

A financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government –

The Fire District was created by the Acadia Parish Police Jury, as authorized by Louisiana Revised Statutes 38:1751-1802. The ordinance creating the district was dated February 14, 1989. The Fire District is governed by a five-member board of commissioners and provides fire protection services within the district.

Component units -

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (Board of Commissioners) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the primary government and the potential component unit.
4. Imposition of will by the primary government on the potential component unit.
5. Financial benefit/burden relationship between the primary government and the potential component unit.

NOTES TO FINANCIAL STATEMENTS

Basis of presentation:

The Fire District's basic financial statements consist of the government-wide statements on all of the activities of the government and the fund financial statements (individual major fund and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements –

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the government. As a general rule, the effect of interfund activity has been removed from these statements. These statements are based on the governmental activities of the Fire District. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

In the government-wide statement of net position, both the governmental and business-type activities columns (1) are presented on a consolidated basis by column, and (2) are reported on the full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Fire District's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The Fire District first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Fire District's functions. The functions are also supported by general government revenues (property taxes, state revenue sharing, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues. Program revenues must be directly associated with the function. The net cost is normally covered by general revenue (property taxes, state revenue sharing, etc.).

The Fire District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Fire District as an entity and the change in the Fire District's net position resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the Fire District's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major individual governmental funds, each displayed in a separate column.

The Fire District reports the following major governmental funds:

General Fund – used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

The emphasis in the fund financial statements is on the District's only major fund, the general fund in the governmental category. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary funds combined) for the determination of major funds.

NOTES TO FINANCIAL STATEMENTS

Basis of accounting:

Government-wide financial statements –

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Fire District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements –

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Sales taxes are considered “measurable” when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Cash and cash equivalents:

Cash includes amounts in demand deposits and on hand. For purposes of the statement of cash flows, the Fire District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments:

Under State law, the Fire District may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Fire District may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The Fire District's investments at September 30, 2014 consisted of time certificates of deposit purchased from a local financial institution. These certificates of deposit are not subject to GASB Statement No. 31 requirements; thus, they are stated at cost.

NOTES TO FINANCIAL STATEMENTS

Custodial credit risk:

The Fire District is exposed to custodial credit risk as it relates to their deposits with financial institutions. The Fire District's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Fire District's name. Accordingly, the Fire District had no custodial credit risk related to its deposits at September 30, 2014.

Receivables:

In the government-wide statements, receivable include all revenues earned at year-end and not yet received. In the fund financial statements, receivable include accrual for revenues which are measurable and available. Major receivable balances for the Fire District's governmental activities reported in both the government-wide and the fund financial statements include ad valorem taxes.

Fixed assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide financial statements -

The Fire District's property, plant, equipment and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical cost for assets where actual historical cost is not available and reported in the government-wide financial statements as capital assets. The Fire District maintains a threshold level of \$500 for capitalizing capital assets. The costs of normal repairs and maintenance that do not add to the value of an asset or materially extend asset useful lives are not capitalized. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Buildings and improvements	40
Improvements, other than buildings	20
Equipment	5 – 10

Fund financial statements -

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated absences:

The Fire District has no full-time employees; therefore there are no established leave policies.

NOTES TO FINANCIAL STATEMENTS

Equity classifications:

Government-wide financial statements -

Equity is classified as net position and displayed in three components: (1) net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation, (2) restricted net position - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation, and (3) unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund financial statements -

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Fire District is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Fire District recorded no impairment losses during the year ended September 30, 2014.

Note 2. Ad Valorem Taxes

Government-wide financial statements –

Ad valorem taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

Fund financial statements –

Ad valorem taxes are levied by the Acadia Parish Tax Assessor in September or October and are actually billed to the taxpayers in November. Taxes are due by December 31 of that year and are normally collected in December of the current year and in January and February of the ensuing year. Billed taxes attach as an enforceable lien on property and become delinquent on January 1 of each year following the year the taxes are levied. Ad valorem tax revenues are recognized when levied to the extent that they result in current receivables.

The Acadia Parish Sheriff's Department bills and collects property taxes using the assessed values determined by the parish assessor. The Acadia Parish Tax Collector sends the district's share of the property taxes collected directly to the Fire District's Board of Commissioners.

For the year ended September 30, 2014, the 2013 tax rolls of 8.07 mills were levied on property with an assessed valuation totaling \$79,474,055. Total taxes levied were \$641,364.

Note 3. Capital Assets and Depreciation

Capital assets activity for the year ended September 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 18,302	\$ -	\$ -	\$ 18,302
Total capital assets, not being depreciated	\$ 18,302	\$ -	\$ -	\$ 18,302

(continued)

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated –				
Buildings and improvements	\$ 84,279	\$ -	\$ -	\$ 84,279
Machinery and equipment	<u>514,130</u>	<u>102,589</u>	<u>-</u>	<u>616,719</u>
Total capital assets being depreciated	<u>\$ 598,409</u>	<u>\$ 102,589</u>	<u>\$ -</u>	<u>\$ 700,998</u>
Less accumulated depreciation for –				
Buildings and improvements	\$ (24,113)	\$ (2,107)	\$ -	\$ (26,220)
Machinery and equipment	<u>(420,836)</u>	<u>(33,902)</u>	<u>-</u>	<u>(454,738)</u>
Total accumulated depreciation	<u>\$ (444,949)</u>	<u>\$ (36,009)</u>	<u>\$ -</u>	<u>\$ (480,958)</u>
Total capital assets being depreciated, net	<u>\$ 153,460</u>	<u>\$ 66,580</u>	<u>\$ -</u>	<u>\$ 220,040</u>
Governmental activities capital assets, net	<u>\$ 171,762</u>	<u>\$ 66,580</u>	<u>\$ -</u>	<u>\$ 238,342</u>

Depreciation expense for the year ended September 30, 2014 was charged as follows:

Governmental activities:	
General government	<u>\$ 36,009</u>

Note 4. Risk Management

The Fire District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fire District purchases commercial insurance to cover any claims related to these risks.

Note 5. Compensation of Commissioners

A detail of compensation paid to the Board of Commissioners for the year ended September 30, 2014 follows:

Roger Pedigo, President	\$ 1,500
John R. Ruppert, Secretary/Treasurer	1,500
Stephen Miller	1,500
John Kurta	1,500
Thomas K. Frey	<u>1,400</u>
	<u>\$ 7,400</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Local Service Agreement

A local service agreement between the Fire District and the City of Eunice authorizes the transfer of 3.0 mills out of 8.07 mills to the City of Eunice to assist in providing fire protection to residents located in the area of the Fire District.

Note 7. Commitments

The Fire District entered into an agreement with 5 Alarm Fire Apparatus, Inc. for the purchase of new fire truck on August 8, 2014. The purchase amount for this fire truck is \$294,990. The agreement states that delivery of the fire truck will take place in approximately 150 days after the signing of the agreement and payment is due at that time. At September 30, 2014, there were no expenditures associated with this agreement.

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REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH FIRE DISTRICT NO. 4

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Ad valorem	\$ 400,000	\$ 625,000	\$ 642,504	\$ 17,504
State revenue sharing	16,000	16,000	14,719	(1,281)
Insurance rebate	5,000	5,000	4,501	(499)
Interest	<u>100</u>	<u>300</u>	<u>352</u>	<u>52</u>
Total revenues	<u>\$ 421,100</u>	<u>\$ 646,300</u>	<u>\$ 662,076</u>	<u>\$ 15,776</u>
Expenditures:				
Current –				
General government:				
Supplies and postage	\$ 3,000	\$ 3,000	\$ 3,048	\$ (48)
City portion of ad valorem	180,000	12,000	11,789	211
Dues and subscriptions	300	300	806	(506)
Utilities	5,000	5,000	4,881	119
Insurance	10,000	12,000	11,519	481
Pension expense	-	-	21,180	(21,180)
Professional services	5,850	6,850	6,250	600
Miscellaneous	<u>150</u>	<u>150</u>	<u>49</u>	<u>101</u>
Total general government	<u>\$ 204,300</u>	<u>\$ 39,300</u>	<u>\$ 59,522</u>	<u>\$ (20,222)</u>
Public safety:				
Salaries and wages	\$ 15,000	\$ 15,000	\$ 13,150	\$ 1,850
Payroll taxes	2,000	2,000	941	1,059
Fireman supplies	-	-	15,700	(15,700)
Repairs and maintenance	18,000	18,000	11,979	6,021
Fireman attendance	2,000	2,400	2,178	222
Travel and training	2,800	2,800	1,873	927
Fuel	<u>750</u>	<u>1,500</u>	<u>1,449</u>	<u>51</u>
Total public safety	<u>\$ 40,550</u>	<u>\$ 41,700</u>	<u>\$ 47,270</u>	<u>\$ (5,570)</u>
Capital outlay	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 102,589</u>	<u>\$ 12,411</u>
Total expenditures	<u>\$ 359,850</u>	<u>\$ 196,000</u>	<u>\$ 209,381</u>	<u>\$ (13,381)</u>

(continued)

ACADIA PARISH FIRE DISTRICT NO. 4

BUDGETARY COMPARISON SCHEDULE (CONTINUED)

GENERAL FUND

Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Excess (deficiency) of revenues over expenditures	\$ 61,250	\$ 450,300	\$ 452,695	\$ 2,395
Net change in fund balance	\$ 61,250	\$ 450,300	\$ 452,695	\$ 2,395
Fund balance, beginning	-	-	316,339	316,339
Fund balance, ending	\$ 61,250	\$ 450,300	\$ 769,034	\$ 318,734

See Notes to the Budgetary Comparison Schedule.

ACADIA PARISH FIRE DISTRICT NO. 4

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

Note 1. Budgets and Budgetary Accounting

The Acadia Parish Fire District No. 4 uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The President submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through adoption by the board.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final budget made during the year.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual fund had actual expenditures in excess of budgeted expenditures for the year ended September 30, 2014:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	<u>\$ 359,850</u>	<u>\$ 196,000</u>	<u>\$ 209,381</u>	<u>\$ (13,381)</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Acadia Parish Fire District No. 4
Eunice, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Acadia Parish Fire District No. 4, as of and for the year ended September 30, 2014, and the related notes to financial statements, which collectively comprise the Acadia Parish Fire District No. 4's basic financial statements and have issued our report thereon dated June 9, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Acadia Parish Fire District No. 4's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Acadia Parish Fire District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of the Acadia Parish Fire District No. 4's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Acadia Parish Fire District No. 4's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses at #2014-1 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and responses at #2014-2 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Acadia Parish Fire District No. 4's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*, and which are described in the accompanying schedule of findings and responses at #2014-3, #2014-4, and #2014-5.

Acadia Parish Fire District No. 4's Response to Findings

The Acadia Parish Fire District No. 4's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Fire District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Acadia Parish Fire District No. 4's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

Brandon Poche, LLP

Lafayette, Louisiana
June 9, 2015

ACADIA PARISH FIRE DISTRICT NO. 4

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended September 30, 2014

We have audited the basic financial statements of the Acadia Parish Fire District No. 4, as of and for the year ended September 30, 2014, and have issued our report thereon dated June 9, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of September 30, 2014, resulted in unmodified opinions.

Section I. Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses X Yes No

Control deficiencies identified
that are not considered to be
material weaknesses

 X Yes None reported

Compliance

Compliance material to financial statements X Yes No

Section II. Financial Statement Findings

#2014-1 Segregation of Duties

Finding: The Fire District does not have an adequate segregation of duties in the administrative office. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Fire District may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of part-time employees to which duties can be assigned, the Fire District should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: Because of the limited staff, we are unable to segregated duties with the resources available. We will continue to monitor the situation.

#2014-2 Lack of Supporting Documentation and Inadequate Records

Finding: For the audit year ended September 30, 2014, Acadia Parish Fire District No. 4 was unable to provide certain documentation supporting transactions for review during the normal course of the audit. In addition, there were check copies that were not attached to applicable supporting documentation. We also noted problems in the accounting records as the result of deleting transactions within the QuickBooks accounting program, instead of voiding the transaction to leave an adequate audit trail.

Recommendation: Adequate supporting documentation should be maintained and accounting files should be established to make locating applicable support transactions possible. Accounting transactions in the accounting files should not be deleted and should only be voided in the QuickBooks accounting system to ensure the integrity of the financial statements and establish an adequate audit trail.

Response: The maintaining of adequate documentation and recordkeeping will be enforced.

#2014-3 Budget Violation

Finding: The Louisiana Local Government Budget Act requires governments to amend their budget when total actual revenues fail to meet budgeted revenues or actual expenditures exceed total budgeted expenditures by 5% or more. The Board can take action at any time during the fiscal year to accomplish budget amendments. For the year ended September 30, 2014, actual expenditures exceeded budgeted expenditures by \$13,381 or 7% in the General Fund, mostly as a result of failure to amend the budget for capital outlay expenditures.

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance with state laws.

Response: The budget will be monitored to ensure compliance with State law.

#2014-4 Public Bid-Law Violation

Finding: The Louisiana Public Bid-Law requires governments to advertise the need for bids in a newspaper of the locality for material and supplies in excess of \$30,000, or purchase items that are under state contract. During the year ended September 30, 2014, the District contracted with a vendor to order a fire truck in the amount of \$294,990. While the truck the District purchased ended up obligating itself to purchase was under State contract, they did not have the necessary documentation to support that the truck was indeed under State contract, and relied on the Vendor's assertion that the truck could be purchased without public bid and did not attempt to independently verify the assertion. When we questioned the District on the transaction, they were under the impression the truck had been purchased through GSA Advantage.

Recommendation: In the future, State law should be strictly adhered to and advertisement for the need for bids should be published in the local newspaper for all purchases over \$30,000, to ensure compliance. Acquisition of capital expenditures purchased under state contract should be properly documented and the contract should be verified with the Louisiana Division of Administration prior to purchase.

Response: Public bid-law will be followed for all purchases over \$30,000, or if purchased under State contract will seek to verify that said purchase is indeed under State contract and maintain any applicable records to substantiate same.

#2014-5 Filing Deadline

Finding: The audit of the Acadia Parish Fire District No. 4, as of and for the year ended September 30, 2014, was required to be filed with the Legislative Auditor's Office within six months of fiscal year end as required by state law and was not filed within the time period.

Recommendation: In the future, the report should be filed in compliance with state law.

Response: The Acadia Parish Fire District No. 4 has reviewed financial statements in the past. Because of the unanticipated increase in ad valorem taxes, the District's previous CPA could not perform the necessary attest service. By the time the District engaged another CPA to perform the audit and due to logistical complications, the public accounting firm was unable to file the audit by the statutory time line.

ACADIA PARISH FIRE DISTRICT NO. 4

SCHEDULE OF PRIOR FINDINGS

Year Ended September 30, 2014

Section I. Internal Control and Compliance Material to the Financial Statements

#2013-1 Inadequate Segregation of Duties

Recommendation: No action is recommended.

Current Status: This finding is repeated in the current year at #2014-1. The Fire District has provided as much segregation as possible with the resources available.

#2013-2 Reporting Deficiency

Recommendation: The Fire District should hire a CPA to prepare the financial statements; however, the Fire District's personnel should review and take responsibility for the financial statements and any adjusting entries.

Current Status: The CPA will prepare the financial statements; however, the Fire District's personnel will review and take responsibility for the financial statements and any adjusting entries.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended September 30, 2013.